

AMENDED IN ASSEMBLY MAY 26, 2009

AMENDED IN ASSEMBLY APRIL 2, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

## ASSEMBLY BILL

**No. 1474**

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**Introduced by Assembly Member Cook**

February 27, 2009

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An act to add ~~Section 6376.4 to~~ *and repeal Section 6376.4 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.*

### LEGISLATIVE COUNSEL'S DIGEST

AB 1474, as amended, Cook. Sales and use taxes: exemption: fixed price contract: mobilehome.

The Sales and Use Tax Law imposes a sales tax on a retailer measured by the gross receipts from the retail sale in this state of tangible personal property and a use tax on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state measured by sales price. Existing law increases the state sales and use tax rate on the sale of, and on the storage, use, or other consumption of, tangible personal property, by 1% to a rate of 7¼% from April 1, 2009, until July 1, ~~2012~~, *2011*, as provided.

The Sales and Use Tax law also provides that a person who is a retailer of mobilehomes, including manufactured homes, who sells a new mobilehome to a purchaser for occupancy as a residence shall pay use tax at the time of its sale to the purchaser, measured by an amount equal to 75% of the price the retailer paid for the new mobilehome.

This bill would provide that the 1% rate of tax increase does not apply to the gross receipts from the sale of a new mobilehome, or the sales price of a new mobilehome sold or stored, used, or otherwise consumed in this state, if specified conditions are met.

*The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: ~~no~~-yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 6376.4 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 6376.4. (a) There are exempted from the taxes imposed
- 4 pursuant to Sections 6051.7 and 6201.7 the gross receipts from
- 5 the sale of a new mobilehome, and the sales price of a new
- 6 mobilehome stored, used, or otherwise consumed in this state, if
- 7 ~~both~~ all of the following conditions are met:
- 8 (a)
- 9 (1) The mobilehome is sold by a retailer to a purchaser under
- 10 the circumstances described in Section 6012.8 or 6012.9.
- 11 (b)
- 12 (2) The purchaser's contract for the purchase of the new
- 13 mobilehome from the retailer is entered into on or before February
- 14 20, 2009, and the sale to the purchaser occurs on or after April 1,
- 15 2009, and before April 1, 2010.
- 16 (3) The retailer certifies, under penalty of perjury, both of the
- 17 following:
- 18 (A) The mobilehome will be used by the purchaser as the
- 19 purchaser's principal residence within the meaning of Section 121
- 20 of the Internal Revenue Code.
- 21 (B) The retailer paid the tax imposed by Sections 6051.7 and
- 22 6201.7.

1     **(b)** *The aggregate amount of refunds issued to all retailers for*  
2 *purposes of this section shall not exceed two hundred thousand*  
3 *dollars (\$200,000).*

4     **(c)** *This section shall remain in effect only until April 1, 2010,*  
5 *and as of that date is repealed.*

6     **SEC. 2.** *No reimbursement is required by this act pursuant to*  
7 *Section 6 of Article XIII B of the California Constitution because*  
8 *the only costs that may be incurred by a local agency or school*  
9 *district will be incurred because this act creates a new crime or*  
10 *infraction, eliminates a crime or infraction, or changes the penalty*  
11 *for a crime or infraction, within the meaning of Section 17556 of*  
12 *the Government Code, or changes the definition of a crime within*  
13 *the meaning of Section 6 of Article XIII B of the California*  
14 *Constitution.*

15     ~~**SEC. 2.**~~

16     **SEC. 3.** *This act provides for a tax levy within the meaning of*  
17 *Article IV of the Constitution and shall go into immediate effect.*